

Message Text

LIMITED OFFICIAL USE

PAGE 01 NAPLES 02076 231904Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 /033 W
-----095088 240407Z /66
R 231715Z NOV 77
FM AMCONGEN NAPLES IT
TO RUFHRO /AMEMB ROME IT
SECSTATE WASHDC 0000
AMCONGEN MILAN IT

LIMITED OFFICIAL USE NAPLES 2076
E.O. 11652: N/A TAGS: EINV, ELAB, IT
REF: NAPLES 2011

SUBJECT: POSSIBLE CLOSURE OF GENERAL INSTRUMENT NAPLES PLANT
1. DR. GIUSEPPE FABIANI, DIRECTOR OF THE NAPLES INDUSTRIALISTS UNION
CALLED ON CONSULATE NOVEMBER 22 TO DISCUSS THE GENERAL INSTRUMENT
QUESTION (REFTEL). FABIANI STATED THAT A MR. LENNOX, PARIS-BASED
G.I. REPRESENTATIVE FOR EUROPE, HAS INFORMED HIM THAT G.I. MAY CLOSE
ITS NAPLES PLANT. LOSSES HAVE ACCUMULATED AT THE NAPLES INSTALLATION
AND ITS HIGH QUALITY PRODUCT DOES NOT COMPENSATE FOR THE LABOR COST
DIFFERENTIAL BETWEEN NAPLES AND GENERAL INSTRUMENT'S TAIWAN OPERATION
FABIANI WAS TOLD THAT AN END OF NOVEMBER MEETING OF G.I. MANAGEMENT

PAGE 02 RUFRSGG6603 C O N F I D E N T I A L
IN NEW YORK MAY DECIDE THE QUESTION.

2. DR. FABIANI DECLARED THAT THE PULLOUT OF G.I. FROM NAPLES AT
THIS TIME WOULD INCREASE LOCAL POLITICAL TENSION, ALREADY HIGH
DUE TO A WORSENING EMPLOYMENT SITUATION IN THE CHRONICALLY DEPRESSED
NAPLES AREA AND EXACERBATED BY ANNOUNCED LAYOFFS DIRECTLY AFFECTING
3000 WORKERS AT THE ITALSIDER BAGNOLI PLANT. HE FELT THAT LABOR AND
POLITICAL PROTEST FOCUSED ON GOI AND STATE PARTICIPATION ENTER-
PRISES WOULD BE AT LEAST PARTIALLY DEFLECTED TOWARD U.S. MULTI-
NATIONALS AND THE USG. FABIANI CONSIDERED IT IRONIC THAT, AT A TIME
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NAPLES 02076 231904Z

WHEN THE USG IS ENCOURAGING INVESTMENT IN ITALY AND LEADERS OF
AMERICAN MULTINATIONALS (INCLUDED IN THE BUSINESS INTERNATIONAL
GROUP) ARE LOOKING INTO INVESTMENT OPPORTUNITIES, G.I. MIGHT CLOSE
ITS NAPLES PLANT.

3. THE INDUSTRIALIST UNION DIRECTOR ASKED THAT CONSULATE SEEK USG
INTERVENTION WITH GENERAL INSTRUMENT IN ORDER TO HALT OR POSTPONE
PLANT CLOSURE. CONOFF REPLIED THAT THE EMBASSY AND STATE DEPART-

MENT WOULD BE INFORMED BUT THAT U.S. FIRMS ARE AUTONOMOUS IN THEIR INVESTMENT DECISIONS AND NOT NECESSARILY SUSCEPTIBLE TO USG INVOCATION OR PRESSURE.

4. WORD OF POSSIBLE G.I. SHUT DOWN HAS NOT YET REACHED THE PRESS.

PAGE 03 RUFRSGG6603 C O N F I D E N T I A L

LOCAL MANAGEMENT IS TIGHT-LIPPED BUT HAS TOLD CONSULATE THEY HOPE TO SAVE THE OPERATION. NAPLES MANAGER CRISCUOLO WILL APPARENTLY BE MAKING A PRESENTATION IN NEW YORK THE WEEK OF NOVEMBER 27 AND WILL NO DOUBT EMPHASIZE NEGATIVE IMPLICATIONS OF CLOSURE.

5. CONSULATE REQUESTS DEPARTMENT SEEK CLARIFICATION OF G.I. INTENTION AT SAME TIME STRESSING ADVERSE POLITICAL/SOCIAL IMPACT OF SHUTDOWN. EXPRESSION OF DEPARTMENT INTEREST AT TIME OF 1975 DIFFICULTIES IN SEVERAL NAPLES-AREA U.S. SUBSIDIARIES (INCLUDING G.I.) WAS HELPFUL. SHOULD G.I. DECIDE TO PULL OUT OF NAPLES, IT SHOULD INFORM THE GOI AT AN EARLY STAGE, ALTHOUGH THE GOVERNMENT WOULD BE HARD PRESSED TO FIND ALTERNATIVE SOURCES OF EMPLOYMENT FOR DISPLACED WORKERS AS IT DID FOLLOWING 1975 G.I. WORK FORCE CUTBACK. COLANTONIO

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLOSURE OF OFFICES, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NAPLES02076
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770436-0123
Format: TEL
From: NAPLES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771126/aaaaavre.tel
Line Count: 82
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3ec21e13-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 NAPLES 2011
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags: ANOMALY
Review Date: 28-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 476301
Secure: OPEN
Status: NATIVE
Subject: POSSIBLE CLOSURE OF GENERAL INSTRUMENT NAPLES PLANT
TAGS: EINV, ELAB, IT
To: ROME STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/3ec21e13-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009